

## Message Text

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ACTION EUR-12

INFO OCT-01 EA-10 IO-13 ISO-00 AID-05 CEA-01 CIAE-00  
COME-00 EB-08 FRB-03 INR-10 NSAE-00 SP-02 STR-07  
TRSE-00 LAB-04 SIL-01 OMB-01 AGRE-00 USIA-06  
NSC-05 SS-15 ITC-01 L-03 /108 W  
-----123227 160558Z /15

R 151730Z MAR 78  
FM AMEMBASSY ROME  
TO SECSTATE WASHDC 1336  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
USMISSION GENEVA  
AMEMBASSY LONDON  
AMEMBASSY LUXEMBURG  
AMEMBASSY PARIS  
AMEMBASSY THE HAGUE  
AMEMBASSY TOKYO

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BRUSSELS ALSO USEC: PARIS ALSO OECD: GENEVA ALSO MTN

E.O# 11652:NA  
TAGS: ETRD, EEC, IT  
SUBJECT: FOREIGN MINISTRY VIEWS ON TRADE ISSUES

1. ECMIN HELD GENERAL DISCUSSION OF TRADE ISSUES MARCH 14  
WITH AMBASSADOR MONDELLO, DIRECTOR GENERAL FOR ECONOMIC  
AFFAIRS AT FOREIGN MINISTRY. READING FROM TELEGRAM OF  
INSTRUCTION TO ITALIAN DELEGATION IN BRUSSELS, MONDELLO  
SUMMARIZED GOI POSITION ON U.S. TARIFF OFFER AT MTN.  
ITALY CONSIDERS U.S. OFFER INADEQUATE. IN THE FIRST PLACE,  
THERE ARE TOO MANY EXCEPTIONS ON ITEMS OF INTEREST TO ITALY--  
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MONDELLO SPECIFICALLY MENTIONED TEXTILES, CERAMICS AND  
LEATHER. SECONDLY, U.S. CONTAINS INSUFFICIENT  
DEGREE OF HARMONIZATION. IN ADDITION, LARGER TARIFF  
CUTS OFFERED RELATE IN LARGE PART TO ITEMS WHICH ARE  
NOT OF MAJOR TRADE INTEREST TO ITALY, E.G. AUTOMO-  
BILES AND AIRPLANES. FINALLY, WITH RESPECT TO  
AGRICULTURE, ITALY BELIEVES THAT GRAINS AGREEMENT

MUST INCLUDE FEED GRAINS (ECMIN POINTED OUT SOME DISCREPANCY WITH VIEWS OF AGRICULTURE MINISTRY, REPORTED ROME 4032), AND ANY ARRANGMENT ON DAIRY SHOULD NOT APPLY SOLELY TO CHEESE BUT ALSO TO MILK POWDER AND BUTTER.

2.INTERESTINGLY ENOUGH, ALTHOUGH HE HAD JUST SPOKEN AT SOME LENGTH ABOUT PROBLEMS RELATING TO THE DOLLAR, MONDELLO MADE NO MENTION OF EFFECT OF DOLLAR DEPRECIATION ON MTN. HE ALSO MADE NO REFERENCE TO U.S. REQUESTS AFFECTING AGRICULTURAL PRODUCTS CONSIDERED SENSITIVE BY ITALY.

3.IN RESPONSE TO QUESTION, MONDELLO INDICATED HIGH LEVEL OF CONCERN OVER "JAPANESE PROBLEM", ALTHOUGH WITHOUT MENTIONING SPECIFIC ITEMS OF CONCERN TO ITALY. WHILE NOTING VARIOUS MISSION TO JAPAN AND MOVEMENT TOWARD JOINT JAPAN-EC DECLARATION, MONDELLO WAS RATHER PESSIMISTIC RE LIKELIHOOD OF EARLY REDUCTION IN JAPANESE SURPLUSES. MONDELLO TENDED TOWARD VIEW THAT IT WILL BE VERY DIFFICULT FOR JAPANESE ECONOMY TO MAKE NECESSARY ADJUSTMENTS AND FOR JAPANESE TO MOVE AWAY FROM EXPORTMENTALITY.

5. FINALLY, MONDELLO VOLUNTEERED THAT HE WAS VERY CONCERNED ABOUT GROWING PROTECTIONISM--NOT IN ITALY LIMITED OFFICIAL USE

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BUT RATHER IN THE EC. POINTING TO RECENT OR IMPENDING ACTIONS ON BALL BEARINGS, SHIPBUILDING, STEEL AND TEXTILES, MONDELLO ASCRIBED THESE MOVES TO ACTIVIST ROLE BY DAVIGNON AND STRONG INDUSTRY PRESSURES. GARDNER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN TRADE, GOVERNMENT REACTIONS, TARIFF SCHEDULES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 mar 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978ROME04883  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780116-0789  
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**Legacy Key:** link1978/newtext/t19780365/aaaacdfs.tel  
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**Litigation History:**  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3323607  
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**Status:** NATIVE  
**Subject:** FOREIGN MINISTRY VIEWS ON TRADE ISSUES  
**TAGS:** ETRD, IT, EEC  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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20 Mar 2014  
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